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COMMUNISM IN LATIN AMERICA

by Ralph de Toledano

The serious setback suffered by the United States in its negotiations for Panamanian bases and the difficulties encountered by the American Federation of Labor in its efforts to organize a counterforce to the Communist-dominated Confederacion de Trabajadores de America Latina (CTAL) have served to make Americans newly aware of the existence of a serious problem south of the border. For, as a nation, we have lacked the British talent for recognizing international politics as a vast three-ring circus. We can take in, at best, the European tightrope act -- and little more.

It is nevertheless of vital importance that we realize that in the cold war there are three major theaters of operations -- Europe, Asia, and Latin America -- and that Latin America also deserves attention.

The press seeks drama, and there is little headline stuff in the fact that a hard core of 500,000 Communists in Latin America is girding for battle with the North American way of living. Or that this well-trained, magnificently organized and completely ruthless phalanx has been given instructions in the past few months to prepare for a period of unremitting struggle. As a matter of fact, the general public has been lulled into shrugging off Latin-American politics as opera bouffe. Yet it is precisely because of this unstable and personality-dominated functioning of the political process that a small number of earnest and bitter men can influence the course of history.

In coming to grips with the world situation, it is essential that Americans realize the strategic, economic, psychological, and political importance of Latin America, both offensively and defensively. Now that the Soviet Union has destroyed the one-world concept, at least for this generation, the United States must readjust its thinking and begin to reckon in socio-military terms. Latin America, then, in time of war (whether cold or hot) is a bastion and a reservoir, a military outpost, a gigantic radar station, and a source of vital raw materials. It is also, willy-nilly, a complex of men and institutions whose fate is inexorably bound up with our own.

Latin America offers us two things: tremendous man power potential to match Soviet Russia's booming population increases and, in an atomic age, insurance against an attempted knockout punch. For with a friendly Latin America, the possibility of a sneak attack is limited to the diffi-

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cult air approach from the North, across the wide spaces of Canada. Conversely, an unfriendly Latin America destroys our sense of security, leaving us isolated. Hitler knew this and so does Stalin.

II

Hitler would have failed to stir Latin-American animosity against the United States, even if he had been more interested than the documents in the German archives indicate. For one reason, Nazi propaganda in Latin America was pegged on the hardly insurmountable though ever-present suspicion of the "coloso del norte", the predatory "Yanqui". This was enough to complicate matters for us, but hardly enough to start a militant ground swell which would force the governments of the Latin-American nations to come to the German side. Secondly, Hitler's propaganda agents were for the most part Europeans -- Germans and Italians who aroused that latent strain of xenophobia so common in the southern portion of this hemisphere. Thirdly, at the crucial time, Hitler lost his most active and well-situated allies, the Communists.

The Soviet Union, in preparing for the all-out push against Western democracy, comes better equipped to the struggle. Its agents have been busily entrenching themselves since the rousing days of the Russian Revolution. The men behind the scenes may be Central European Comintern agents or Russian diplomats, but the overt leaders are for the most part thoroughly Latin American.

And the appeal they make is not for a master race, not for world conquest, but for freedom from "Yanqui exploitation", of the individual directly. Soviet propagandists are able to draw on the large stores of romantic goodwill generated by the 1917 anti-Czarist epic, as well as on the derring-do of the Red Army -- a myth to which our late lamented OWI gave wide currency. The Comintern, moreover, has devoted large funds and loving care to its Latin-American venture, because it strikes at Russia's strongest opponent and because it implements the larger thesis of Lenin, that Communism would come first to "backward", non-industrial, countries -- Russia, then Spain, then the colonial areas.

Russia's Latin-American offensive is mounted on three levels, all interdependent:

1. The strictly political plane.
2. The labor plane.
3. The propaganda plane.

In the first two of these, the Communists have suffered setbacks. In the third, they still carry the ball.

By "strictly political", I mean the organization of "legitimate" political parties. These parties, though small in terms of population,

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often hold the balance of power, as in Chile, where they were able to wangle three seats in the Cabinet and elect a sizable number of deputies and senators to the various governing bodies. But the trend of world politics has caused a considerable decline of strength. In Brazil, where before it was outlawed the Communist Party polled ten per cent of the total vote, an underground organization has now taken over. The largest single Communist party in the Western Hemisphere, estimated at 152,000, is in Cuba, strategic for the vital Caribbean area.

III

These "legitimate" parties are, however, window dressing for the secret Communist apparatus in Latin America.

The center of underground activity has shifted from Mexico City to Havana, Buenos Aires and Montevideo, but the importance of espionage and subversion to the Soviet Union can best be measured by the man who was sent to Latin America to set it up. He was Constantine Oumansky, a top drawer GPU official, who met his death in a mysterious airplane crash in Mexico January 25, 1945. The underground apparatus, utilizing native Communists, works out of the key Embassies (cf. Report of the Royal Commission in Canada) and the consular offices, whose staffs are much larger than were those of the Nazi "tourist bureaus".

The most effective Soviet force in the Latin Americas is, nevertheless, the CTAL, the labor federation which Vicente Lombardo Toledano organized in the late Thirties. Claiming over 4,000,000 members in seventeen countries, the CTAL is manipulated by the leading Communist functionaries in Latin America. The Kremlin's view of the CTAL may be judged by the fact that in the key Continuation Committee of the World Federation of Trade Unions, it was allotted four seats, whereas Britain, the United States, and the Soviet Union each hold three.

The CTAL, like the CIO in the United States, has with malice aforethought funneled its strength into the key unions -- shipping, communications, mining, transportation -- and the key areas -- Cuba and Panama. Strikes, sabotage, and work-stoppages by the CTAL could cripple Hemisphere-wide co-operation. What this means is that, in effect, the old Communist dream of the Profintern (the Red International of Trade Unions) has come into being where it can damage the United States most. Under Toledano, this regional Profintern has slavishly followed the Party line -- "patriotic" during the war, obstructionist since Yalta.

The switch in popular sentiment and the high-handedness of the Communist phalanx have led to serious defections from the CTAL with

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resultant strife, splits, etc. But it still wields enough power to give alert Americans a good deal of worry. Efforts to dislodge it, like the current attempt by the AFL to set up a rival (the Inter-American Confederation of Labor) move very slowly. The existence of an anti-Communist labor opposition in Latin America is a healthy sign, but it by no means demonstrates that the CTAL is on the way out. Anti-American suspicion within the new CIAT, the ill will which our diplomacy has stimulated in Argentina, and the personal jealousies of the participating labor leaders are all grist for the Communist mill.

IV

It is in propaganda that the Communist onslaught remains unchecked. The defeat American diplomacy suffered in Panama was a direct result of a sustained propaganda barrage by the Communists, the CTAL in Panama, and the United Public Workers of America, CIO in the Canal Zone. And this barrage is no hit-or-miss proposition.

For some time now, a veritable chain of overtly and covertly Leftist newspapers and magazines has existed in Latin America. Siglo in Chile, Tribuna Popular in Rio, Popular in Mexico, Diario Popular in Uruguay, Hora in Buenos Aires -- these are the more important papers which flood Latin America with denunciation of American and British "imperialism" and acclaim of Soviet "democracy". It has been estimated by Frank Kluckhohn of the New York Times that over 10,000 words a day are received by wireless from Moscow in Montevideo alone. Simultaneously, bales of printed material are shipped to Latin America from New York and other centers.

In comparison with crisis politics in Europe and open civil war in China, the Latin-America situation may seem of little consequence. Yet a drastic shift of power in Asia -- the collapse of the Kuomintang, perhaps -- or armed revolt in northern Italy, or collapse of the regime which we support in Greece, would unbalance our precarious defenses.

At such a time, the United States would feel a cold and menacing wind on its unprotected southern flank. It is late now. It might be too late then.

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Not Merely Gossip *A Supplement to* Human Events VOL. V, NO. 6

By Frank C. Hanighen February 11, 1948

Political talk -- what little there is in these dull post-Eisenhower days -- centers on Taft's western tour. The Senator's prospects improved markedly after, if not because of, his travels in the Pacific area last fall. Therefore, his backers hope for benefits from this junket. The Ohioan started auspiciously with a cruel jibe at Truman; and being Taft, he will assuredly talk a lot of sense to a lot of people who need it, but who, alas, may not understand it or even want it.

Taft fans will, of course, add up the inevitable touches by the Taft rapier as on a score card. And the politicos will calculate how many delegate pledges have been won. A triumph in Nebraska is already discounted; it will be like the Dutch conquering Holland. But what will Taft pick up in Missouri? -- and in Minnesota? Will Taft inflict as much pain on Stassen in the latter state as Stassen has on him, in entering the Ohio primary? This is a painful subject among Taft men. They know they will smother Stassen in Ohio; but they admit gloomily that it will take a lot of time and money. Rumor has it that the cost in dollars will run to six figures; that hurts.

Some observers deem the counting of delegates a romantic diversion. They see it this way: The protracted Taft-Dewey contest -- truly Peloponnesian in its duration -- can only lead to selection of a dark horse. King-makers perspiring in ugly suites in the Bellevue-Stratford next June will probably reflect that king-makers should take no chances; and that they should settle on an individual with as few political liabilities as possible. Two personalities of really monumental caution, Vandenberg and Martin, would brilliantly meet this test. But the Michigan Senator is more widely known than the Speaker of the House; and besides he hails from the Middle West, a qualification as indispensable today to a Presidential aspirant as an Etonian education used to be for a British Foreign Secretary.

Such is the political ennui of the day that few are excited by the usual election-year spectacle of "white supremacy" Southern Democrats threatening their President with the worst of fates next November. Columnists have done their best to stir interest, by refurbishing copy published in 1944 about how the revived Confederates might throw the election into the House of Representatives. But in the end, not even an eastern-slope Tennessean will bet a dollar on the current "Southern revolt".

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Political interest should perk up soon, if official circles are correct in saying that the Palestine question will come to a head within the next few weeks. Time is pressing; the British are preparing to depart; and the forlorn Palestine Commission of Five wants some action. It is reported that several members have threatened to resign unless some positive steps are taken. The pressing mood of the Commission is expressed in its report of February 10, to the Security Council, recommending formation of an international force to maintain order in the Holy Land.

This course of events puts the President in a most unhappy predicament. On the one hand, his military advisers urge him against sending troops or participating in the sending of troops to Palestine. And Government planners tell him that the oil of the Middle East is necessary to supply Europe if the Marshall plan is to be successful. Otherwise, the United States will have to provide what is lost by disorders in the Arab area -- hardly palatable news to American petrol users just at this time.

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On the other hand, domestic political considerations plague the President. The Zionist lobby has become strenuously exacting; while grass roots elements warn that American boys had better not be sent far away to fight for Zionism. The Republicans have refused to go along on a bi-partisan basis on the Palestine question. Anything the President does must be on his own responsibility. It is reported that Mr. Truman's mood is one of expletives; and these are no longer directed at the British and the Arabs.

In the midst of this gathering storm, Rabbi Judah Magnes cables a letter to the New York Times from Jerusalem (February 9). He proposes a truce in the Holy Land and a conciliation commission somewhat on the order of the UN Commission which has brought about a truce and an agreement in the Indonesian conflict. Certainly, the principle he urges -- conciliation on the part of UN, instead of war -- is sound. Indeed it is the role which the UN was originally intended to perform. But few observers put much weight in Magnes' influence, or the prevalence of conciliation ideas. The Palestine problem is no longer in the hands of the State Department, nor in the U.S. delegation to the UN, nor in the General Staff. It's up to Mr. Truman. Domestic politics, therefore, are bound to be involved.

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Secretary Marshall's defense of the dismantling of German plants remains a highly unconvincing document. He finds reparations-in-plant a great improvement over the reparations problem as handled after the First World War, laying stress on the "long drawn-out wrangling" between various countries at that time. As a matter of fact, the "wrangling" on this matter sprang not so much from the amounts of reparations nor the war debts, as it did from the problem of transfers. The problem of transfers of reparations money was the real apple of discord.

Dismantlings are being carried out under the Potsdam Agreement, as Marshall stresses. But this pact of unhappy memory also provided that such "payment of reparations should leave enough resources to enable the German people to subsist without external assistance". Congressmen studying the Marshall request for $1 billion of such "external assistance" for Germany may well ponder this. Furthermore, as the New York Times editorially points out (February 10), all such reparations payments were to be completed by February 2, 1948. Marshall's case seems to have a very slim legal basis. As for the "unity" of European nations which Marshall fears would be disturbed by failure to deliver dismantled plants, only a slight sense of reality is needed to suggest that the lender should have something to say about the terms of lending, and that it is up to borrowers to preserve that unity if they want the assistance they seek.

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The matter of a World Bank loan to Poland has bobbed up again. When first broached nineteen months ago, the amount contemplated was $600 million. But, Mr. Eugene Meyer, the President of the institution, found the business of getting Wall Street support for Bank bonds impossible. Mr. John J. McCloy succeeded Mr. Meyer and last summer proceeded successfully to "sell" the Bank to financial interests. But even in the new atmosphere of last summer, Mr. McCloy did not go ahead with a Polish loan.

There have recently been intimations that Poland might withdraw from the World Bank unless it gets a loan. Accordingly, Mr. McCloy has been considering a token loan of $60 million. Such an amount is readily available in the reserves of the Bank, and no recourse to selling bonds in Wall Street would be necessary. Apart from the desire to keep Poland in the institution, proponents of the loan argue that it would enable Poland to be paid for shipments of much-needed

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coal to Western Europe. The State Department has approved the deal on the grounds that it is a "calculated risk", but one worth taking. The present U.S. Ambassador to Poland, Mr. Stanton Griffis, is said to have supported the proposal.

His predecessor in Warsaw, however, has taken an opposing view. Mr. Arthur Bliss Lane (see Book Events this week) reportedly asserts that a loan to the present Polish Government would have next to no chance of bringing any rewards to the West. Moscow could always cut off shipments of coal, and past shipments have been small. The granting of a $90 million Export-Import Bank loan to the Polish puppet government brought no benefits to the West. Mr. Lane's attitude has been made known on Capitol Hill, and some prominent Members of Congress are expected to denounce any such transaction.

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The War of Documents is on; with the Soviet retort (February 10) to the State Department's publication of the 1939-41 Soviet-German papers. State, however, has much ammunition in reserve. It is known that its historians are working on volumes for earlier years. It is not so well known that the Government possesses a collection of captured German documents showing how Berlin and Moscow dickered for a separate peace in 1943. We hear that the reason the negotiations broke down was that Hitler found the Soviet terms too high a price to pay.

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Under the title Technological Stagnation in Great Britain, the Machinery and Allied Products Institute (120 S. La Salle Street, Chicago, Ill.) has published a study which is well documented and highly readable. Much of the material has appeared in various other publications and the Institute merely draws it together and emphasizes briefly the various causes of British industrial decline. Without prejudice to the well-rounded picture presented by the Institute's economists -- William F. Yelverton and George Terborgh -- two points deserve notice for their application to the American industrial scene.

"It has become fashionable", says the study, "in some quarters to disparage the influence of the anti-trust laws in the United States, or even to write them off as completely ineffectual. In our judgment this is a grievous error, as the experience of Britain without such legislation strongly attests. It is true that the interpretation and enforcement of anti-trust policy has been halting and inadequate. It is true also that many fish escape the net. Yet no one familiar with the climate of American business can fail to sense the pervasive influence of anti-trust policy, which floats -- to quote the late Justice Holmes -- like a 'brooding omnipresence in the sky'. Whatever its defects, it has helped to save American industry, by and large, from the gross and rampant restrictionism now afflicting Great Britain; certainly no mean achievement."

The survey stresses the factor of taxation: "That some features of the British tax structure have contributed to technological decay hardly admits of doubt. Ever since World War I, taxation has fallen with extreme gravity on those sectors of the national income that supply the capital funds of industry, especially its risk capital, namely corporate earnings and the larger personal incomes. The result has been at once a sharp reduction in the ability of the community to save and an impairment of the incentive for risk taking. . . . For if we [the United States] suffer less from restrictionism, certainly one of the greatest impairments of incentive, our condition is less favorable with respect to other impairments. Of these the most important from our standpoint is taxation. Here we appear almost, if not quite, abreast of Britain, the chief difference being that we have only recently arrived at a position she has maintained for a generation. The consequences are therefore less apparent than in that country."

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Book Events

I Saw Poland Betrayed, by Arthur Bliss Lane. Indianapolis, Indiana: The Bobbs-Merrill Co., $3.50. Reviewed by J. M. Lalley.

What Mr. Lane, who served as the Ambassador of the United States to Poland from 1944 to 1947, actually saw were the brutal consequences of the betrayal. The betrayal itself was begun at Tehran, where the Messrs. Roosevelt and Churchill consented to yet another partition, and was consummated at Yalta, where they deposed the Polish Government-in-Exile. It was an ignoble and, as Mr. Lane makes painfully clear, a stupid and perhaps fatal subordination of justice to political expediency. The truth and therefore the implications of the Tehran agreement were of course carefully concealed from the American public, for there was an election coming up the following year. Ten months after Tehran Mr. Roosevelt had no difficulty in persuading Mr. Charles Rozmarek of the Polish-American Congress that he meant well by Poland.

But at the time of the Tehran conference, even Mr. Lane had, as he confesses, no doubt of the honorable intentions of Soviet Russia toward Poland, toward the United States and toward the world, and during his embassy to Bogota he remained politely deaf to the South American diplomats who warned him against such dangerous delusions. Mr. Lane's disenchantment began when, in preparation for his new assignment, he settled down to an intensive study of the diplomatic exchanges among the United States, Great Britain and Russia, concerning Poland. There were, for example, the suspicious circumstances surrounding the wholesale massacre of the captive Polish officers at Katyn, and the Russian reaction to the request of the Government-in-Exile for an impartial investigation by the International Red Cross; there were the almost certain evidences of Russian duplicity in connection with the heroic and tragic uprising of the Polish Underground against the Nazis in Warsaw. As the Red Army waited outside the city without firing a shot or moving an inch, while the Poles under General Bor-Komorowski continued for nearly two months the hopeless struggle to which the Moscow radio had helped to incite them, the Russians, although their airstrips were but ten kilometers from Warsaw, refused the protection of fighter planes to the American and Polish flyers who were attempting to bring food and ammunition to the insurrectionaries from bases in Italy. The result was precisely in accord with the calculations of the Kremlin, namely annihilation of the Polish home army, and discredit of the Polish government in London.

But when Mr. Lane, in November, 1944, suggested to Mr. Roosevelt that the time had come to be firm about the matter of Polish independence, the President inquired sarcastically, "Do you want me to go to war with the Russians?" Mr. Lane did not know what poor Premier Mikolajczyk had just learned, at Moscow, that Mr. Roosevelt had agreed to the Russian claim to all Polish territory east of the Curzon line. That an Ambassador should have been kept ignorant of a decision vitally affecting the nation to which he was accredited goes far to explain the ineptitude for which American diplomacy is now celebrated. So it was with complete astonishment and consternation that Mr. Lane read the official report of the Yalta conference.

Long before he went to Warsaw, in July, 1945, Mr. Lane had despaired of his mission, which was to see that the pledge of the Yalta Agreement concerning "free and unfettered elections" was fulfilled. He was discouraged and appalled by the facade of public optimism behind which the White House and Secretary Stettinius concealed the deterioration of our relations with Russia. On his arrival in Poland he found what he had expected to find: a police State in the earlier stages of organization; when he resigned in March of last year the organization had been pretty well completed. The amazing part of his story is not how the Polish Communists under expert Russian tutelage managed the business, but how Mr. Lane's report concerning it went unheeded in Washington.

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